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## New laws take effect January 1, 2016

### LLC law changes and HUB

On January 1, **SB 5030** brings a rewrite of the Limited Liability Company law. Some of the matters addressed by this bill include:



- If the LLC agreement does not specify specific internal relations, legal right, and duties, default rules and presumptions supplement the LLC agreement as a matter of law. Some of the default rules also set minimum legal requirements that an LLC agreement cannot limit or eliminate.
- An LLC agreement may be written, oral, or implied. However, like similar laws governing partnerships, the LLC must make a written record if it limits the rights of dissenters to a merger.
- Unless an LLC agreement provides otherwise, an LLC is presumed member managed.
- A majority vote is sufficient to authorize most LLC actions that require member consent. Some actions, such as merger or conversion, require a unanimous vote of members or additional member approval.

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## the BUZZ

### 2015 quarterly statistics:

July 1—  
September 30, 2015

New formations/  
registrations:  
**15,461**

Total active  
business entities:  
**463,440**

Annual reports filed:  
**85,902**

Received mail:  
**18,890**

Phone calls:  
**36,063**

Average time to  
answer calls:  
**1 minute 24  
seconds**

## LLC law changes and HUB (continued)

- The LLC manager owes defined fiduciary duties of loyalty and care. Members owe the same fiduciary duties to a member-managed LLC.
- In some matters, each member of a member-managed LLC is the LLC's agent and has apparent authority to bind the LLC. Likewise for a manager of a manager-managed LLC. Members no longer have apparent authority to bind a manager-managed LLC.
- An LLC must provide its members with any records the members request subject to reasonable limits on the use of the records. An LLC must allocate and distribute profits and losses according to specific requirements. An insolvent LLC may not make distributions to its members.

*This information was taken from the [Final Bill Report](#). For more information, see Chapter 25.15, RCW at the Washington Code Reviser's website. Codification is expected to be complete by late November.*

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## Free - Upcoming CLE presentation

### ***The 'Hub Bill' - How it Changes Things for Business Lawyers and Paralegals [C161201SEA]***

December 1, 2015  
12:00 PM - 1:00 PM  
Davis Wright Tremaine—Seattle

CLE Credits, General:1.0

Price \$0.00

*Presented in partnership with the WSBA Business Law Section*

To register visit: <http://www.wsba.org/News-and-Events> and select December 1 from the calendar.



## LLC law changes and HUB (continued)

**SB 5387**, commonly known as HUB, but codified as the Uniform Business Organizations Code, also becomes effective. This law creates uniformity in common provisions governing business organizations and other entities that file in the Secretary of State's office. Some of the highlights of this new law are:

- It is a new section in Title 23 RCW
- It affects the following entity types: for-profit corporations, nonprofit and mutual corporations, partnerships and limited partnerships, limited liability companies, cooperative associations, corporation sole, fraternal societies and their building corporations, and granges.
- Common legal requirements for these business entities also include reservation and registration of entity names, registered agents, foreign entities doing business in Washington, and entity dissolution and reinstatement.
- While Articles of Correction were allowed for some of the entities, this law allows a **Statement of Correction** for all entities.
- A new filing type is allowed, Withdrawal of Filed Record Before Effective Date, which does exactly that for all the entities.
- It also creates a new designation of Commercial Registered Agent, with the ability to make mass changes with a single filing.
- It makes resignation of registered agent free!
- This bill changes the forms for foreign entity registrations, making minor changes in the information requested. Foreign entities no longer have to file an initial report, and have a withdrawal form specific to dissolution or conversion.
- Each business entity retains its separate law containing its entity-specific legal requirements. The entity specific sections are amended as necessary to remove redundant provisions that move to the new common provisions section in Title 23.
- This bill also makes a number of minor technical and housekeeping amendments for clarity and consistency and to correct inaccurate cross references.

Some of this information was taken from the [Final Bill Report](#). For more information, see Title 23, RCW at the Washington Code Reviser's website. Codification is expected to be complete by late November.

## Tips & Tidbits

### How do you reinstate a business that was administratively dissolved or authority revoked?:

Find a description, and the frequently asked questions about reinstatements here:

[Reinstatements—FAQ](#)

### Getting copies?

How to get copies of articles, certificates and other documents recorded with the Secretary of State.

[Copies—FAQ](#)

### Follow us on Facebook:

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[Charities Program](#)

### Suggestions for this newsletter? Please contact Patrick Reed :

[Patrick.reed@sos.wa.gov](mailto:Patrick.reed@sos.wa.gov)

### Crossword answers from 3rd Quarter Dish:

1.FB 2.Limited Liability Company 3.Online 4.Kim Wyman 5.Fair 6.Mouse 7.ACP 8.Commercial 9.Quarter 10.New 11.Education 12.Award 13.Summer 14.Expedite 15.Copies 16.Agent 17.Apostille 18.OSOS 19.Princess 20.Charity 21.Financial 22.The

## Additional HUB resources

For a slideshow summary:

[HUB Changes Summary.pptx](#)

For a comparison that shows the Entity and HUB in a table:

[2015 Entity and HUB Comparison Table](#)

For the complete session law (as passed) for Senate Bill 5387:

[Senate Bill 5387 Session Law - Uniform Business Organizations Provisions](#)

As we approach the new year, our division is actively providing informational discussions with agency partners, service organizations and legal firms regarding how HUB affects records you may file in the Secretary's office.

If you have a group that wants or needs more information, we are happy to provide it. To inquire about these events, contact: [Patrick.Reed@sos.wa.gov](mailto:Patrick.Reed@sos.wa.gov) or call 360.725.0358.

## Upcoming Event!

Coming on December 17– the **Annual Decorate the Dolliver** event! Join our office at 801 Capitol Way S at 3:30 pm, for cookies and some singing, as we celebrate the holiday season.



This is an annual event, but this year we are also celebrating the 100th year of the building.

**Stop by and get a tour!**